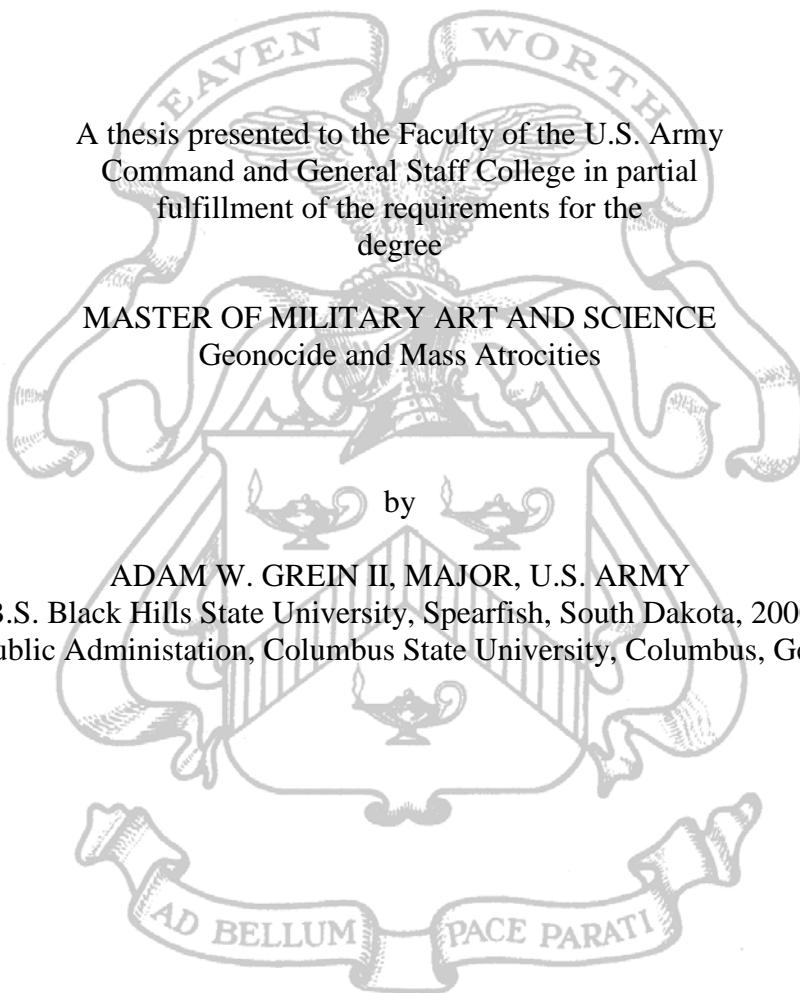


THE THIRD REICH'S MACROECONOMIC POLICIES:
ENABLERS OF GENOCIDE



A thesis presented to the Faculty of the U.S. Army
Command and General Staff College in partial
fulfillment of the requirements for the
degree

MASTER OF MILITARY ART AND SCIENCE
Genocide and Mass Atrocities

by

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ABSTRACT

THE THIRD REICH'S MACROECONOMIC POLICIES: ENABLERS OF GENOCIDE, by Major Adam W. Grein II, 82 pages.

The purpose of this study is to identify relationships between Nazi Macroeconomic policy and its ability to enable genocide. This study uses primary source documentation from newspapers, historical documents and published works to examine Nazi ideology as it relates to economics and macroeconomic policy. Accompanying this research is an analysis of steps the United States could have taken to stop or deter Nazi economic policy using the Mass Atrocities Prevention and Response Handbook's economic planning guidance.

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ACRONYMS

KdF	<i>Kraft Durch Freude</i> (Strength Through Joy)
MAPRO	Mass Atrocities Prevention and Response Operations
NSV	<i>Nationalsozialistische Volkswirtschaft</i> (National Socialist People's Welfare)
SdA	<i>Schönheit der Arbeit</i> (Beauty of Labour)

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CHAPTER 1

INTRODUCTION

The Jews domination in the state seems so assured that now not only can he call himself a Jew again, but he ruthlessly admits his ultimate national and political designs. A section of his race openly owns itself to be a foreign people, yet even here they lie. For while the Zionists try to make the rest of the world believe that the national consciousness of the Jew finds its satisfaction in the creation of a Palestinian state, the Jews again slyly dupe the dumb Goyim. It doesn't even enter their heads to build up a Jewish state in Palestine for the purpose of living there; all they want is a central organization for their international world swindle, endowed with its own sovereign rights and removed from the intervention of other states: a haven for convicted scoundrels and a university for budding crooks.

—Adolph Hitler, *Mein Kampf*

Definitions

Macroeconomics: Is the study of economics in terms of whole systems especially with reference to general levels of output and income and to the interrelations among sectors of the economy.¹

Macroeconomic Policy: Government policy aimed at the aggregate economy, usually to promote the macro goals of full employment, stability, and growth. Common macroeconomic policies are fiscal and monetary.²

Background

By 1934, the German economy, although not at full strength, was rebounding from the Great Depression and the credit crisis of 1931. There were additional signs that

¹*Merriam Webster Dictionary*, “macroeconomics,” <http://www.merriam-webster.com/dictionary/microeconomics> (accessed 25 May 2012).

²Glossary.EconGuru.com, “Economic Glossary,” <http://glossary.econguru.com> (accessed 1 May 2012).

consumerism was picking-up since sales tax receipts were showing gains and more Germans were returning to the workforce than in years past.³ The general mood was that Nazi macroeconomic policies were effective and the work of Nazi leader, Adolf Hitler, and his Minister of Finance, Hjalmar Schacht, were bringing the change Germans so desperately wanted. However, there was still apprehension in the air and Germans remained doubtful that total economic recovery would soon be realized.

Hitler had a vision of what Germany would become if left to those he saw as threats to the state. Fueled by hate and his desire for revenge over the Versailles Treaty, Hitler began his radical movement toward racial purity and macroeconomic reforms. Although the Nazi party campaigned on a series of macroeconomic issues and argued for the advancement of German farmers and laborers, Hitler knew he had to provide people with radically new and innovative reforms in order to mobilize the nation to do his bidding.⁴

The reforms would speak to the German people and capture their attention in a way that had never been seen before. Under the auspices of National Socialism, Hitler would elevate the economic status of the working class and provide them with opportunities once only reserved for the upper-middle class and social elite of German society. With programs such as Strength Through Joy, German workers received

³F. T. Birchall, “Germany’s Economic Position: An Appraisal,” *New York Times*, 17 June 1934, <http://select.nytimes.com/gst/abstract.html?res=F40E15FC3958177A93C5A8178DD85F408385F9> (accessed 19 May 2012), 21.

⁴National Socialist Workers Party, “The Program of the German (Nazi) Workers’ Party, *Das Programm der NSDAP*,” 1933, <http://www.jewishvirtuallibrary.org/jsource/Holocaust/naziprog.html> (accessed 25 May 2012).

unprecedented benefits and organizational change to the work place.⁵ New laws went into effect to counterbalance the economic hardships felt by the poor and working. Change was rapid and winning the hearts and minds of the German people.

Not all change was positive for all Germans. For German-Jews, National Socialism was the end to Jewish assimilation in German society. Most Jews living in Germany saw themselves as Germans. Many of them had intermarried with non-Jewish Germans, had served in the military, and were civil service members. With National Socialism, they were systematically removed from positions of responsibility within the government and public life altogether.⁶ Regardless of German-Jews' contributions to German society, they were nevertheless believed to be the forces that would bring about economic destruction and communist domination. Therefore, according to Nazi ideology they must be removed at all cost.

Research Question and Methodology

The expressed purpose of this research is to provide military and civilian leaders with an understanding of how macroeconomic policies were leveraged against German and European Jewry. This thesis will explore the primary question: Can macroeconomic policies enable genocide? Two subsequent questions will also be answered: Did the Nazis effect the social change needed in order to carry out their policies for genocide?; What

⁵“Nazi Workers to Get Free Trips on Liners,” *New York Times*, 27 March 1934, <http://query.nytimes.com/mem/archive/pdf?res=F50C14F9385A107A93C5AB1788D85F408385F9> (accessed 25 May 2012), 12.

⁶Reichstag, “Law for Protection of German Blood and German Honor (Nuremberg Laws),” 15 September 1935, <http://www.mchekc.org/sites/www/Uploads/Files/Resources/Resources%20for%20Educators/PrimarySourceDocuments/NurembergLaws.pdf> (accessed 25 May 2012), 1.

actions could have been taken to prevent the Nazis from achieving their macroeconomic goals? The end-state of this thesis is to develop a better understanding of how Nazi macroeconomic policies stimulated the German people to perpetrate the Holocaust. This thesis will also determine if we can apply Mass Atrocities Prevention and Response Operation economic planning guidance to understand what actions could have been taken to prevent the mass murder of European Jewry.

The primary methodology used for answering these questions is the use of primary source documents such as Nazi economic policies, party ideology and propaganda used to exercise their will over the nation. Second, this study will use the applicable work of scholars from other fields, such as economics, history and psychology that directly relate to World War II and genocide specifically.

Thesis

State economic policy may be a fundamental driver, leading to genocide and mass atrocities. This study will use a case study to examine macroeconomic events that eventually led a nation's incitement to commit genocide. The study will be based on the Mass Atrocity Prevention and Response Operations (MAPRO) economic planning guidance to analyze the Holocaust as a case study of an extreme example; how the Nazi party's macroeconomic policies gave them the ability to convince the German people to support genocide.

In this case of genocide, there appears to be a single key and over-arching enabler leading toward genocide – macroeconomics. Also, Nazi macroeconomic policy was a potential enabler used to manipulate the German people and advance Hitler's goals of achieving a racially pure and self-sufficient state. This thesis will study how the Nazis

infused ideology and racial intolerance into macroeconomic plans in order to construct a legitimate framework to limit and ultimately remove the Jewish population from their economy and society. This research will refer to Gregory Stanton's "Eight Stages of Genocide"⁷ when providing a conceptual framework for understanding how the Nazis identified and took action against German and European Jewry.

The thesis assumption is that one essential enabler for genocide exists-macroeconomic policy. This topic is of great importance to military leaders and civilian policy makers. As the economic disparity between the "haves" and "have nots" becomes deeper and harder to bridge, there is the propensity for increased violence. Future battlefields will require knowledgeable military leaders who can identify the macroeconomic indicators that could lead to implementing MAPRO in their area of operations and ensure they have the ability to plan for prevention and response operations.

Purpose and Organization of the Study

This study provides an understanding of how Nazi macroeconomic policy enabled the Holocaust. This study is not intended as a means to address how Jews and other people were exterminated or other policies against these groups that were not economic. Nor will this study address anti-Jewish sentiment in other countries since these questions are outside the focus of this study.

This study is focused on how macroeconomic policies influenced the German people to support the Nazi party's goals and violence toward the German and European

⁷Gregory H. Stanton, "The 8 Stages of Genocide" (First Working Paper (GS 01) of the Yale Program in Genocide Studies, Yale University, New Haven, CT, 1998), 1.

Jewry. Also, this thesis researches how Hitler made it economically viable for German citizens at all levels to adhere to the new direction of the nation. Thus, this study will look at three key components of macroeconomics: Nazi ideology, the policies themselves and propaganda.

This study is focused on how macroeconomic policies influenced the German people to support the Nazi party's goals and violence toward the German and European Jewry. Also, it researches how Hitler made it economically viable for German citizens at all levels to adhere to the nation's new direction. Thus, this study will look at three key components of macroeconomics: Nazi ideology, the policies themselves and propaganda.

Chapter 2 will specifically study how the Nazis targeted Jews by using Stanton's eight stages of genocide and the policies and propaganda that supported it. The chapter will also review how propaganda and other policies were used to gain the German people's support. Key to this is outlining how these policies affected the lives of German citizens and how these policies enabled the German people to support the war and genocide.

Chapter 3 reviews programs Nazis used to organize and rebuild the nation, as well as a look into the ideology that was fundamental in the creation of these programs. It will specifically look at the Four-Year Plan, Strength Through Joy and Nazi worldview ideology.

Chapter 4 is an analysis of potential MAPRO economic tools the United States (U.S.) government could have utilized to combat Nazi aggression or attack of the Jews. It will highlight what was done and how economic tools could have been used.

Chapter 5 will provide findings and conclusions based on the Anderton Bargaining Model that defines four rational explanations for an authority's choice of genocide: prevention of loss of power, indivisibility, elimination of a persistent rival, and political bias and the historical context of the thesis.⁸ This thesis will not make remarks or recommendations outside the structure of this thesis.

Literature Review

There is extensive literature on mass atrocities and genocide. Most of which is retrospective and provides a base to understand how and when a specific genocide occurred as well as the circumstances surrounding the event. The literature reviewed was a highlight of examples of macroeconomics and genocide and how macroeconomic policy was a fundamental enabler to what ultimately became known as the Holocaust.

One of the key documents reviewed was the “Program of the German Workers Party”⁹ or better known as the Party’s 25 points. This document was essential to understanding how the Nazi party viewed economics and it served as the party’s platform for election. Announced in Munich on 24 February 1920, the Nazi party hailed the 25 points as a “program for our time”¹⁰ speaking to the German people on fundamental issues essential to the German psyche and social constructs. This document is of particular value to this thesis in that it provides a picture of how the Nazi party intended

⁸Charles H. Anderton, “Choosing Genocide: Economic Perspectives on the Disturbing Rationality of Race Murder,” *Defence and Peace Economics* 21, no. 5 (2010): 459-486.

⁹National Socialist Workers Party, “The Program of the German (Nazi) Workers’ Party,” 1.

¹⁰Ibid.

to pacify the German people by meeting their economic needs. However, leave no doubt, this document also signaled the initial change in mood and thought on hate and aggression toward non-Germans and those were considered citizens of the Reich.

In all, thirteen points specifically dealt with macroeconomics and social welfare. By design, each point was a macroeconomic lead to gain buy-in from the German people by meeting their basic needs from a macro policy level. This and other primary source documents are essential to this research, forming the case study's structural base.

Ideology and policy aside, the use of propaganda is essential to this thesis. There was no question when it came to Hitler's or the Nazi party's ability to motivate the masses. Nazi leadership made effective use of every form of propaganda. From speeches at mass rallies, to the spectacle of torch light parades held to stir the emotions of the German people—propaganda was everywhere. The Nazi party took propaganda even further with the use of print media. If the people could not be there for the speech or the parade, the party took the message to the people. The Nazis capitalized on every form of propaganda to support the party, the war and discriminating and blaming Jews at home and abroad.

A specific example was the speech Joseph Goebbels (Hitler's propaganda minister) wrote for Hitler entitled “Communism with the Mask Off.”¹¹ Goebbels noted the following in his personal diary: “A brilliant success. The Führer was genuinely enthused. A storm of applause, my material was deeply moving.”¹² The speech

¹¹ Adolf Hitler, *Address at the Annual Congress of the Nazi Party*, Nuremberg, Germany, 13 September 1935.

¹² Joseph Goebbels, Personal Diary, 15 September 1935.

promulgated the Nazi view that Jews and Communists were completely linked to the economic crisis in Europe and more importantly Germany. “National Socialism would give the lead in a new concept and shaping of European civilization. But the Bolsheviks carry on a campaign, directed by the Jews, with the international underworld, against culture as such. Bolshevism is not merely anti-bourgeois; it is against human civilization itself.”¹³ Despite some of the meaning being possibly lost in translation, it is clear that the propaganda used here intended to link the economic situation in 1935 to the Jews and their Bolshevik counterparts.

The single most enlightening book regarding Nazi economics found during this research is Gotz Aly’s book entitled *Hitler’s Beneficiaries*. This book in many ways serves as a guide path, bringing to light the ideals discussed above and gives clear examples of how the Nazi regime manipulated and used the economic environment to their advantage; and furthermore, mobilized the German people and the eventual murder of millions.

One of the first endeavors Hitler and the Nazis took to endear the German people to their policies was to create an environment that benefited their economic interests and fueled support for the regime and the policies they made. This was not done through coercive means or brute force. It was done within the letter of the law. It started with what one might view as little things. They made desired luxuries such as Volkswagen automobiles affordable and made housing accessible to the everyday citizen. Then they went about setting up the legal means to protect their citizens from what was previously seen as a creditor supported economy.

¹³Hitler, *Address at the Annual Congress of the Nazi Party*.

CHAPTER 2

CREATING THE ENEMY

First they came for the Socialists, and I did not speak out--Because I was not a Socialist. Then they came for the Trade Unionists, and I did not speak out--Because I was not a Trade Unionist. Then they came for the Jews, and I did not speak out--Because I was not a Jew. Then they came for me--and there was no one left to speak for me.

—Martin Niemoller, *Biography by the U.S. Holocaust Memorial Museum*

Classification and Symbolization.

The economic crisis of the 1920s and 1930s was a significant blow to the German people's mental and emotional state. Wide spread turmoil, unemployment and relative chaos are all accurate ways to describe the environment that launched Adolf Hitler and the Nazi party to power. Hitler wrote in his Constructive Rule Pledge: "What the Germany of today needs is a totally new diagnosis of its economic and industrial situation."¹⁴ For most Germans, Hitler and the Nazi party embodied hope and the opportunity for a brighter economic future. Little did they know that he would not only bring the change they desired, but he and the Nazi party would provide them with a new order based on radical racial ideology and macroeconomic policy.

First, there is a need to examine the progression of the Nazi's "Jewish problem" by using Gregory Stanton's "Eight Stages of Genocide"—classification, symbolization, dehumanization, organizing, polarizing, preparation, extermination and denial.¹⁵ Hitler's

¹⁴ Adolf Hitler, "Constructive Rule Pledged," *New York Times*, 8 December 1931, <http://select.nytimes.com/gst/abstract.html?res=F30A17FB355D1B7A93CAA91789D95F458385F9> (accessed 15 May 2012), 6.

¹⁵ Stanton.

racial theories classified and targeted groups that were considered enemies of the German people and their struggles for advancement. There were many classes of sub-humans or *untermensch* according to Nazi ideology. The first addressed were persons of mixed descent such as the German-African children fathered during Germany's colonization of Southwest Africa. Others classified as *untermensch* were Gypsies and Slavic people. At the top of the list were Jews.

Jews were “classified and symbolized” above all other groups in Europe. Hitler perceived Jews as especially cunning and adaptable, more so than any other ethnic groups of people. He believed this because Jews, unlike other races had been expelled from numerous lands for generations, each time spreading the diaspora further than before, and each time no matter how far Jews traveled, they continued to thrive. Jewish resiliency was perplexing to Hitler and he saw it as a threat and cause for alarm. Therefore, he believed that Jews were the masterminds behind the communist movement that was slowly taking over Europe and the world.

Once Hitler and the Nazi party took over, they spared little time in building on preexisting racist ideology; taking it from theory to practice and began the process of “dehumanizing” Jews and “organizing and polarizing” German and later European society. Economically, the Nazis popularized the notion that Jews were a destructive economic force. However, it is important to note, as early as the 1920s these ideals were publicized in German articles calling for the removal of Jews from the German economy and daily life. One newspaper, *Volkischer Beobachter*, no. 20/34, dated 10 March 1920,

called for “ruthless measures” in removing Jewish people from the German economic structure in both public and private fields.¹⁶

By 1935, it was commonly known that the Nazi wanted to further this goal by getting rid of Jewish businessmen and professionals completely from Germany. On August 20th of that same year, Reichsbank President, Dr. Hjalmar Schacht, held a meeting of senior officials to discuss the progression of removing Jews from the economic structure and its effect on the national economic status.¹⁷ Key to this meeting was that every representative of government was in attendance and actively involved in economic issues and policies that would eventually lead to genocide. Of note, Dr. Schacht was briefly accused of being sympathetic to the Jewish people for voicing concerns about being too swift in removing all Jewish businesses and their effect on being able to meet the goals set by Hitler. He went on to say that quickly removing Jewish businesses from the economy could create a lapse in revenue, calling for a reduction in aggressive action toward German Jewry in order to stabilize the economy.

Regardless of Schacht’s foresight on impulsively removing Jewish businesses from the economy, Hitler’s new policies were already underway. The Organization of the Anti-Jewish Boycott was announced in *Volkischer Beobachter (Sueddeutsche Ausgabe)*,

¹⁶Author Unknown, Do A Proper Job on the Jews, *Volkischer Beobachter*, no. 20/34, 10 March 1920.

¹⁷Yadvashem.org. “Minutes from the Meeting, The Leadership of the German Government on the Effect on the Economy of German Policy Towards the Jews,” August 1935, http://www1.yadvashem.org/about_holocaust/documents/part1/doc31.html (accessed 9 April 2012).

no. 88., on 1 April 1933.¹⁸ It announced the planned boycott of all Jewish stores, goods and services such as legal and medical services provided by Jewish professionals. The goal of this program was the elimination of Jewish businesses and their interaction with the German public. On 1 April 1933, posters such as the one below announced the boycott in the towns throughout Germany. This poster was posted in the town of Geisenheim announcing the boycott.



Figure 1. Anti-Jews Boycott Poster

Source: German Propaganda Archive, *Die Wirtschaftspolitische Parole* 3, no. 12 (1938), <http://bytwerk.com/gpa/nazi-economics.htm> (accessed 15 April 2012).

¹⁸National Socialist Workers' Party, "Instructions Given by the National Socialist Party, Organization of the Anti-Jewish Boycott of April 1, 1933," *Voelkischer Beobachter* (Sueddeutsche Ausgabe), no. 88 (29 March 1933).

To assist in polarizing the nation, the Nazi Propaganda Ministry took every opportunity to highlight to the German people the Reich's accomplishments and how it intended to restore the economy, while simultaneously dehumanizing and vilifying Jews. The below article is from “*Die Wirtschaftspolitische*” dated 1938, issue no. 12. This political cartoon made the claim that Germans were significant producers of cloth, but were held down by Jewish businessmen who dominated the market. Yet, now that Germany has been freed from Jewish control of the markets, Germans would now reap the benefits of their labors.



Figure 2. The People is Master of its Economy

Source: German Propaganda Archive, *Die Wirtschaftspolitische Parole* 3, no. 12 (1938), <http://bytwerk.com/gpa/nazi-economics.htm> (accessed 15 April 2012).

Figure 2 is entitled: “The people is master of its economy.” The text states that in 1870, Germans produced 50 percent of cloth, but only 5 percent in 1913. In 1933, the

figure was 5.5 percent, rising to 22.3 percent in 1937. “Freeing of labor from the Jewish-capitalist yoke caused the increase.”¹⁹

Propaganda

While the Nazi ability to dehumanize Jews and polarize the German state has already been discussed, it is of particular value to discuss one of the most powerful tools the party used to do both—propaganda. Propaganda was the primary means of projecting the party’s story, and one of the forms used was speeches. Dr. Joseph Goebbels, the Party’s Minister of Propaganda, was not only remarkably talented but also devoted to his work. His devotion to his work was expressed clearly in his adoration of Hitler and the work of the party. One dutiful way he expressed this was by preparing an annual New Year’s address.

This 1934 speech was quick to proclaim the achievements made, sighting “what an astonishing collection of significant political, cultural and economic events mark this year of German awakening!”²⁰ The accomplishments of the Reich had turned Germany from a course of civil war and saved them from the “specter of Bolshevism,”²¹ whom they claimed threatened to seize power. However, the speech did not stop at hinting toward the fears of Bolshevism. It addressed two ideas clearly to the German people: first, economy; and second, their perception of world opinion of the German state.

¹⁹ German Propaganda Archive, *Die Wirtschaftspolitische Parole* 3, no. 12 (1938), <http://bytwerk.com/gpa/nazi-economics.htm> (accessed 15 April 2012), 3.

²⁰ Dr. Joseph Goebbels, “Zum Jahreswechsel 1933/34,” *Signale der neuen Zeit. 25 ausgewählte Reden von Dr. Joseph Goebbels*, Munich: Zentralverlag der NSDAP, 1934, <http://www.calvin.edu/academic/cas/gpa/goeb23.htm> (accessed 9 April 2012), 337-344.

²¹ Ibid.

This political foundation had to be established if the government had any intention of dealing with the big problems of the day, if it was to do everything possible to deal with the specter of unemployment. The government had not only the intention to do something, it acted. It attacked unemployment with impressive measures. With God's help, it was able to do even more than it promised: over two million people are at work again, and even the hard winter did not slow us down. The entire world admires this accomplishment of the German people, gained by our will and toughness.²²

As noted economics and communism were essential to Nazi propaganda, Goebbels used every opportunity to illustrate the evils that—if not for Hitler and the Nazi party—were about to fall on the German nation. Although this is not the most provocative of Nazi speeches given, it did however create a tone and understanding that the Nazi party was doing what it was elected to do; creating employment and elevate the poor standard of living Germans has suffered under for so many years. Other earlier speeches were not any more aggressive in tone, but did signal a significant change in mood toward the Jews.

In 1933, shortly after the first Nuremberg Rally, Goebbels gave a speech addressing the backlash of negative press abroad the Nazis were receiving because of their radical policies. Goebbels wasted little time deflecting the negative press as international Jewry attacking the new German agenda:

One cannot make sense of this situation without understanding the significance of the racial or Jewish Question. The National Socialist government also cannot ignore it. Our laws suffer hard and often unjustified criticism abroad, above all from International Jewry itself. But one should not forget that dealing with the Jewish Question through legal means was the best approach.²³

²²Ibid.

²³Dr. Joseph Goebbels, Rassenfrage und Weltpropaganda,” *Reichstagung in Nürnberg 1933*, Berlin: Vaterländischer Verlag C. A. Weller, 1933, <http://www.calvin.edu/academic/cas/gpa/goeb41.htm> (accessed 15 April 2012), 131-142.

The speech's significance is that it attempted to draw parallels between the economic hardships that once faced Germany and international opinion, which they claimed was led by international Jewry. The ominous last line noted that dealing with the Jewish question is the best method for them. Hitler and the Nazi party dealt with the Jewish question by abolishing the laws giving German Jewry rights with regard to citizenship, owning and operating a businesses and preventing them from serving in the public sector.

A speech made by Hitler at the German Reichstag on the 30 January 1937, is one of a number of public addresses where Hitler continued to link Jewry at home and abroad to communism and attempted to play National Socialism as the victim in Bolshevism aggression.

National Socialism did not try to come to grips with Bolshevism in Russia, but the Jewish international Bolsheviks in Moscow have tried to introduce their system into Germany and are still trying to do so. Against this attempt we have waged a bitter struggle, not only in defense of our own civilization but in defense of European civilization as a whole.²⁴

The following figures are magazine covers from the German weekly periodical *Lustige Blatter* dated 2 July (left) and 16 July (right) 1943. The cover on the left reads “The Polyp.” A Jew has his tentacles around England, Russia, the U.S., and China. The cover on the right reads: “One eats the other and the Jew devours them all. “The cartoon promotes the Nazi claim that the Jews were behind World War II, having orchestrated it to destroy Nazi Germany.”²⁵

²⁴ Adolf Hitler, “Speech to German Reichstag,” 30 January 1939, <http://www.calvin.edu/academic/cas/gpa/hitler1.htm> (accessed 15 April 2012).

²⁵ Bytwerk.com, *Lustige Blatter* (1934), <http://www.bytwerk.com/gpa/lustige.htm> (accessed 1 May 2012).



Figure 3. *Lustige Blätter* Magazine Covers

Source: German Propaganda Archive, *Die Wirtschaftspolitische Parole* 3, no. 12 (1938), <http://bytwerk.com/gpa/nazi-economics.htm> (accessed 15 April 2012).

Magazine covers such as these became the hallmark of Nazi propaganda and were intended to continually highlight the perceived notion that communism was the handiwork of international Jewry. The conspiracy went on to theorize that, through their manipulation of the economic system Jews intended to weaken each state's government by dismantling their ability to effectively manage their economies, thereby leaving each state vulnerable to Bolshevism and eventual subjugation to a Jewish world order. The figure below shows print propaganda designed by artist Hans Schweitzer. Although very late in the war, it was released in late 1943 or early 1944 and states "The Jew: The Inciter of War, the Prolonger of War" and was meant to reinforce with the German people that the war was all due to the Jews.²⁶

²⁶Hans Schweitzer, "The Jew: The Inciter of War, The Prolonger of War, 1943-1944," <http://www.bytwerk.com/gpa/posters2.htm> (accessed 1 May 2012).

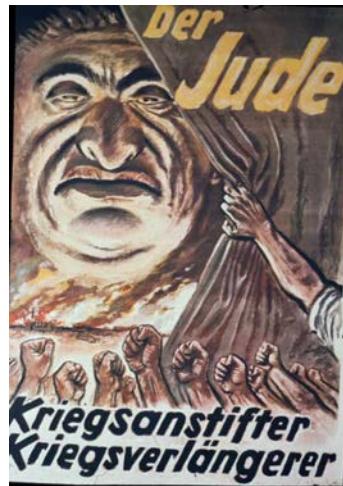


Figure 4. *Der Jude* (The Jew)

Source: German Propaganda Archive, *Die Wirtschaftspolitische Parole* 3, no. 12 (1938), <http://bytwerk.com/gpa/nazi-economics.htm> (accessed 15 April 2012).

Yet anti-Jewish rhetoric was not the only sentiment expressed in Hitler's or anyone else's speeches. In fact, in the same speech Hitler talked of the new social order and justice, claiming that the old order was inept due to individuals who lacked "social conscience"²⁷ and their only obligation was to themselves, leaving the German community and its interest to fend for itself. Hitler announced there would be a new legal system that would place German values and community first, with the sole purpose of maintaining the German race. Below is an example of the Winterhifswerk campaign for a Nazi party charity, which was intended to personify the ideals of the new Germany, its values and community.

²⁷Hitler, "Speech to German Reichstag."



Figure 5. Winter Aid (*Winterhilfswerk*)

Source: German Propaganda Archive, *Die Wirtschaftspolitische Parole* 3, no. 12 (1938), <http://bytwerk.com/gpa/nazi-economics.htm> (accessed 15 April 2012).

“The Winter Aid (*Winterhilfswerk*) was the Nazi Party charity. Each year there was a drive to solicit donations to help the needy. Contributions were not entirely “voluntary.” The text translates as: No one shall go hungry! No one shall be cold!”²⁸

Macro-Policy for the People

The last three of Stanton’s stages of genocide—Preparation, Extermination and Denial—although significantly important to the study of genocide and mass atrocities, will not be discussed in detail now since the purpose of this thesis is to study only the macroeconomic enablers that lead to genocide. Actions past the initial on set of genocide—i.e. killings—are outside the scope of this research. Therefore, the study will now begin to shed light on the ideals discussed above in the form of policies and actions; and give clear examples of how the Nazi regime manipulated, used the economic

²⁸Winterhilfswerk (Nazi Party Charity), “Winterhilfswerk Campaign,” Winter 1934/35, <http://www.bytwerk.com/gpa/posters2.htm> (accessed 1 May 2012).

environment to their advantage, and mobilized the German people to war and the murder of millions.

One of the first endeavors Hitler and the Nazis took to endear the German people to their policies was to create an environment where it was to their benefit and economic interests to support the regime. Initially this was not done through coercive means or brute force. It was done within the letter of the law. It started with what one might view as little things. They made luxuries such as automobiles affordable and housing accessible to the everyday citizen. Then the Nazis went about setting up the legal means to protect their citizens from what was previously seen as a creditor's economy.

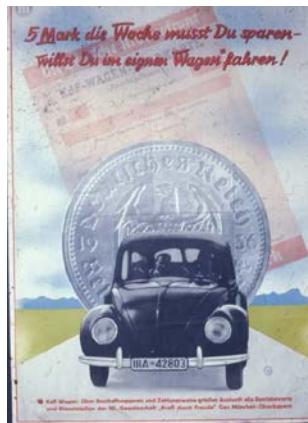


Figure 6. Volkswagen Advertisement

Source: German Propaganda Archive, *Die Wirtschaftspolitische Parole* 3, no. 12 (1938), <http://bytwerk.com/gpa/nazi-economics.htm> (accessed 15 April 2012).

“This poster from around 1939 advertises the Volkswagen. The text: “Save 5 marks a week and you will drive your own car.”²⁹

Creditors previously held significant control over the economy of Germans. Under the Nazis, the courts took action to block them nearly every step of the way. “Nazi laws restricted the rights of creditors vis-à-vis debtors so as to prevent the impoverishment of the German people.”³⁰ The Nazi socialist perspective of community and social good, based on their ethnic standards, made possible laws that favored the protection of German economic interests. Courts were directed to favor renters and those who were in debt to creditors. “A court officer with a social conscience will not have the heart to subject his comrades to absolute destitution, to rob them of their last possession, their trust in the protecting state, and their love for the fatherland.”³¹

The Nazis created laws and an environment that the German people approved. From the farmer working his fields, to the factory worker operating a machine, life was seen as better with increased standards of living across the spectrum of society. From subsidies for farmers, rent control on apartments, military buildup, to the lowest unemployment most Germans could remember in years; they were finally achieving the economic support that they wanted from their government.

Furthermore, the average citizen’s position in this environment was enhanced by the adherence to the state and policy. “Goring noted in an address to the Nazi party: the

²⁹KdF, “Volkswagen Advertisement,” 1939, <http://www.bytwerk.com/gpa/posters2.htm> (accessed 1 May 2012).

³⁰Gotz Aly, *Hitler’s Beneficiaries, Plunder, Racial War and The Nazi Welfare State* (New York, NY: Metropolitan Books, Henry Holt and Company, 2006), 21.

³¹Ibid.

property owner who displays a pitiless lack of scruples and turns his poorer ethnic comrades out on the street over insignificant debts has forfeited his right to the protection by the state.”³² Rhetoric such as this became the marching steps for life in Germany. Nazi style socialism and the perceived right based on the comradeship reinforce Dr. Waller’s “collectivistic values of obedience.”³³

As Germans identified themselves with the established norms and values of the regime, they reaped the benefits of doing so and the bond between them became indistinguishable, for each depended on the other. Even when the economy soured due to the war of aggression, no one saw it as deterring them from the communal views and goals. People began to disassociate discomfort and sacrifice to their quality of life. “We are living in a great age and should feel privileged to experience such things. What does it matter if butter is in short supply, coffee is sometimes unavailable, or we sometimes have to do one thing or another that you don’t completely approve of? Weighed against such progress, these problems are laughably trivial,” noted Hermann Voss a professor of anatomy at Charles University.³⁴

The Nazi government made not only great leaps on legal protection for citizens, but they also created different views of social norms than had never been seen in Germany. Abolished was the class structure of the old Weimar Republic. Being German was now the only credential anyone needed and from that point, all Germans were given

³²Ibid.

³³Dr. James Waller, Psychological and Sociological Approaches, The Ordinariness of Extraordinary Evil, 145-164, <http://guweb2.gonzaga.edu/againstthe/Journal1/waller.pdf> (accessed 20 Feburary 2012).

³⁴Aly, 28.

equal rights and access to employment and education. Putting the new order into context of Kuhne's theory, noting that people's behavior is dependent on how they perceive and define their situation; the German people began to see and act without reflection on the old order of German life. The country's perceived rebirth resonated from the farmlands to the central government. "The regime unleashed the force of individual initiative in both long-standing and newly created government agencies"³⁵ creating a social understanding that the rise of the German state was upon them and that each German had a significant role.

This newly found initiative extended throughout the Nazi control over Germany. As the years went on, Hitler and his regime took every effort to engage the German people on a psychological level and further achieve their buy into what it had planned prior to the war. In 1944, the Nazi party sought a huge pension increase. "Psychological dividends it would pay among our working ethnic comrades. They called for blue- and white-collar workers to be put on equal footing to give them preliminary taste of the harmonious future to come."³⁶ One measure the Nazis took to create equilibrium between white and blue-collar workers was the use of forced charities such as the *Nationalsozialistische Volkswirtschaft* (*National Socialist People's Welfare*) or NSV for short. The text translates: "Health, child protection, fighting poverty, aiding travelers,

³⁵Ibid., 24.

³⁶Aly, 57.

community, helping mothers: These are the tasks of the National Socialist People's Charity. Become a member!"³⁷



Figure 7. NSV Propaganda

Source: German Propaganda Archive, *Die Wirtschaftspolitische Parole* 3, no. 12 (1938), <http://bytwerk.com/gpa/nazi-economics.htm> (accessed 15 April 2012).

Prior to the war, they endeavored to give greater reasons for the people to identify with the state and the regime. The Nazis realized that by creating deep economic links from the government to the German people they would create identification with the regime and the people's loyalty. This gave credence to how the people—through economic linkage—identified with Nazi ideology and support of the government. However, how did they inculcate the military to their ideology?

Due to the Versailles Treaty, which followed Germany's defeat in World War I (WWI), one of Hitler's first endeavors was to rebuild the German military. His task was especially important in the minds of the German people, for not only was their defeat in

³⁷National Socialist People's Welfare, "NSV Advertisement," <http://www.bytwerk.com/gpa/posters2.htm> (accessed 1 May 2012).

WWI a significant blow to their national identity, but the additional burden of their military being stripped down to 100,000 men and no armaments was devastating. Although Hitler was anti-election, he was creative in using referendums to give the appearance of legitimacy before the people. The poster below was a common sight encouraging the German people to vote for the referendum. The text on the poster reads: “Before: Unemployment, hopelessness, desolation, strikes, lockouts. Today: Work, joy, discipline, camaraderie. Give the Führer your vote!”³⁸



Figure 8. 1936 Referendum Poster

Source: German Propaganda Archive, *Die Wirtschaftspolitische Parole* 3, no. 12 (1938), <http://bytwerk.com/gpa/nazi-economics.htm> (accessed 15 April 2012).

In March 1936, a referendum was held on remilitarizing the Rhineland and with its passage, Hitler openly defied the Treaty of Versailles and began to rearm the German military. With the rearmament under way, Hitler and the Nazi party could now focus their

³⁸National Socialist Worker's Party, “Referendum Poster,” March 1936, <http://www.bytwerk.com/gpa/posters2.htm> (accessed 10 April 2012).

policies and attentions to the men who would become the instrument of their aggression at home and abroad.

Before the start of the war, the regime fostered not only economic policy that benefited the common citizen, but significant policy that benefited the military as well. These policies would later be key to a German soldier's identification with service and the regime. At home, policy was made to shield a soldier and his family from economic hardships while the soldier was deployed. Limitations were placed on the ability of landlords or creditors to collect and it was seen as the court's responsibility to protect soldiers and their families. This policy, the "*Deutsche Gerichtsvollziehr-Zeitung*" states that it "contributes in the fundamental way to the victory of our people who are engaged in a fierce struggle for their survival."³⁹

Nonetheless, policy was not left to the home front alone. German soldiers enjoyed an unprecedented standard of economic freedom while deployed. Freedoms that one might extrapolate were meant to boost loyalty and how the soldiers saw their lot in life, but were simply an act of the regime to endear the soldiers to them by providing for one of the strongest empowering sources of identification—economic advancement. "The goal of these generous initiatives was to win over the heart of the soldier through demonstrations of abiding concern."⁴⁰ Aly goes on to write in great detail how German soldiers were encouraged to buy anything and everything they could while deployed and either use it or more importantly, send it home for their families.

³⁹Aly, 23.

⁴⁰Ibid., 70.

This economic tactic was three fold—one it gave the soldier economic empowerment which they had not previously had due to the economic situation. Secondly, these policies allowed them to provide for their families' items such as butter, cocoa, tobacco, jewelry and even art that were simply not available in Germany. Lastly, it decreased the family's discomfort of not having their loved one at home. In some accounts almost daily packages from the eastern and western fronts arrived with every imaginable goods and luxury.

At first, there were limitations on *Wehrmacht* soldiers' allowances, "50 marks per month—their families transferred the money via army postal service, and it was paid in the native currency of the countries where soldiers were stationed. Soon the allowance was raised to 100, and before Christmas 1939 it went up to 200 marks."⁴¹ Over the course of the war and depending on the status of the soldier, these limits would flux and created a buying frenzy that little by little stripped the local store bare and increased inflation.

The Nazi government was not blind to what they were doing and these are just a few practical examples of what the Nazi regime did to endear the German people to their cause and the great psychological tactics they used to manipulate the everyday German into either being an active participant or a willing by-stander to their acts of mass murder and killings. If we look at the previously discussed concepts of identification, indoctrination and couple that with the motivation of economic advancement, we can begin to see the economic construct take shape that empowers people to act or not act with regard to mass murder and genocide.

⁴¹Aly, 94.

Conclusion

Using the first five of Stanton's eight stages of genocide, this thesis has outlined how the Nazi party under Hitler's leadership classified and dehumanized the Jewish population of Germany and later Europe; then polarized a nation and put them on the road to genocide. At its core, Nazi ideology and its attitude toward European Jewry was rational in their eyes. Hitler believed that Jews from around the world were systematically manipulating world economic systems and using these same systems to topple independent governments. Therefore, he saw the toppling of Germany as inevitable unless he and the Nazi party could remove Jews from the German economic structure. Now, this thesis will examine in detail Hitler's concept of Nazi economic domination and the two key concepts of *Weltanschauung* (worldview) and *Autarky* (self-sufficiency).

CHAPTER 3

FROM IDEOLOGY TO WAR

The Reformation caught up the whole of Central Europe in its wake. Nor was it possible for individual States – either by skill or by deliberate non-participation – to steer clear of events. Since the outbreak of the French Revolution, the world has been moving with ever increasing speed towards a new conflict, the most extreme solution of which is called Bolshevism, whose essence and aim, however, is solely the elimination of those strata of mankind which have hitherto provided the leadership and their replacement by world-wide Jewry.

—Adolf Hitler, *Memorandum on the Task of a Four-Year Plan*

With the stock market crash of 1929, the U.S. began to pull loans and foreign investments from overseas countries. Germany's economy was hit hard as it relied significantly on investments from the United States. As monies were pulled out of Germany, unemployment rapidly set in and Germany like other nations began to feel the devastating effect of the Great Depression. Those lucky enough to retain work saw their incomes drop drastically and their quality of life follow.

The Four-Year Plan

Hitler came into power during the Great Depression and immediately felt the pressures of promises made during his campaigning. To combat these pressures Hitler appointed Hjalmar Schacht as the *Reichsbank* president and later Minister of Economics. As Minister of Economics, Schacht was deeply influenced by Keynesian economics which is based on the theory, “the government would borrow money to spend on such things as public works; and that deficit spending, in turn, would create jobs and increase purchasing power. Striving to balance the government's budget during a slump would

make things worse, not better.”⁴² Schacht was also greatly influenced by Roosevelt’s New Deal and the concept of rebuilding the nation through mass construction projects and public works. Schacht’s understanding of economics and currency management led him to the conclusion that the only way to recover economically was to proceed with mass deficit spending and invest in public works—such as building and expanding the autobahn.⁴³

Despite the economic upswing and reduction in unemployment Schacht achieved, Hitler was focused on the future and what he saw as the inevitable. In a confidential memorandum dated August 1936, Hitler addressed what he saw as an ideological and military view for the German economy to achieve *autarky* or self-sufficiency in four years.⁴⁴ His justification for this standpoint was his belief that Soviet Russia led by Jewish-Bolsheviks would certainly attack Germany in order to annex her lands and subjugate the German people. His reasoning was bolstered by the perspective that other states were collapsing under their democratic rule or their infusion of Marxist ideology that was said to be the tool of worldwide Jewry.

⁴²Daniel Yergin and Joseph Stanislaw, “The Commanding Heights,” 1998, http://www.pbs.org/wgbh/commandingheights/shared/pdf/ess_keynesiantheory.pdf (accessed 20 May 2012).

⁴³J. C. Smith, “Something Wicked This Way Comes,” *American Thinker* (15 March 2009), http://www.americanthinker.com/2009/03/something_wicked_this_way_come.html (accessed 20 May 2012).

⁴⁴Adolf Hitler, “Confidential Memo on Autarky, August 1936,” in U.S. Department of State Division of Language Services, *Documents on German Foreign Policy: From the Archives of the German Foreign Ministry*, Series C (1933-1937), *The Third Reich: First Phase*, vol 5, document no. 490, (March 5-October 31, 1936), (Washington, DC: Government Printing Office, 1957-1964), 853-862.

Therefore, he believed that the national economy had to be mobilized for the coming conflict. The memorandum's instructions were clear and stated two tasks: (1) The German army must be fully operational [*einsatzfähig*] within four years; and (2) The German economy must be fit for war [*kriegsfähig*] within four years.⁴⁵ To accomplish these tasks, Hitler named Hermann Göring as the Four Years plan director. Göring's task although complex had some specificity to it. The first objective was to centralize the organization of labor in order to accelerate the nation's civil and military readiness for the pending conflict.

Hitler noted that just as Germany needed a political and military buildup, there had to be an economic one with the same intensity and drive and if need be, the same ruthlessness.⁴⁶ In doing this, there was no longer room for personal or corporate interests; to achieve a state of *autarky* (self-sufficiency) the only interest is that of the German state. Focusing on German production and limiting foreign imports were essential in accomplishing the economic buildup. Imports would be by exception to the economic plan. Exceptions would only be applied to those necessities that could not otherwise be provided by German production.

Additionally, the economic expansion also called for an increased production of petroleum within 18 months. Equally important was the demand for the production of a synthetic rubber as well as tires. In these demands, Hitler implied a direct and ominous statement noting: "this was not a task for the economics ministry to belabor over production methods. On the contrary it was a matter for private industry to manage. If

⁴⁵ Hitler, "Confidential Memo on Autarky," 6.

⁴⁶ *Ibid.*, 9.

industry was unable to manage these necessities, he stated, then we no longer need private industry.”⁴⁷ In either case, Hitler was resolved to build a domestic economy based on the principle of *autarky*.

Nestled with the four-year plan was the understanding that Germany, as a self-sufficient nation required the ability to produce its own food supply. Overpopulated and unable to feed themselves, Nazi Germany had to place production priorities at the same level as rearmament. By virtue of these priorities, German farmers were looked on with a higher level of prominence and support from the national government. One such measure of support for farmers was the passage of the Hereditary Farm Law on 29 September 1933.⁴⁸

The Nazi ideology held a special place for agrarian society, stating that farmers are fundamental to the economic stability of Germany—or the concept previously discussed “blood and soil.” The law looked to preserve the German practice of inheritance from one blood relative to another. Therefore, ensuring that property of the deceased would remain with family members even if the debts of the deceased would otherwise call for the sale of the land to recover his debts.

The law also made clear the government would partition large estates to a maximum of 125 hectares or just less than four acres, so land would be equitably parceled and other farmers would not be deprived of being productive peasants.⁴⁹

⁴⁷ Hitler, “Confidential Memo on Autarky,” 6.

⁴⁸ Louis L. Synder, ed., *Hitler’s Third Reich: A Documentary History* (Chicago, IL: Nelson Hall, 1988), 143-44.

⁴⁹ Synder, 143.

However, the law was not without its limitations. Persons defined, as peasants had to be German or have like blood in order to maintain land holdings. Landholders' heirs must also qualify as German or have like blood in order for them to be considered dependents and legal heirs. If, in the event a dependent were found to not be a legal heir, the dependent was provided with vocational training; but only as long as they met the citizen requirement—again, German or of like blood.

Although many sectors of the German economy grew under the four-year plan, growth was not without struggle or conflict. Much of this was due to Hermann Goring's inept management and lack of economic experience. On 18 November 1938, Goring expressed his dissolution with the state of German finance and noted a potential for inflation to return since consumer sales were not increasing as Germans were returning to work. "Rearmament was inflationary, since it failed to expand consumer sales," he noted.⁵⁰ Despite the advancements made under Nazi economics consumer sales were hampered by economic uncertainty of German society. The majority of workers had returned to the workforce, but many Germans remembered all too well the economic downturn of the depression years. This feeling of uncertainty was highlighted in the Sopade Report on the Mood Among Workers in September 1938.

They often complain about the fact that they earn much less now than in say 1929 but, at the end of the day, they always say: 'It's all the same to us; at least we have work'. The further one goes down into the poorer sections the more opposition there is. But even now—although they know there is a labor shortage—they are

⁵⁰Giles MacDonogh, *1938 Hitler's Gamble* (New York, NY: Basic Books, 2009), 236.

all scared of losing their jobs. The years of unemployment have not been forgotten.⁵¹

The macroeconomic policies generated by the four-year plan were bittersweet. The policies managed to affect change by mobilizing industry and pulling together resources in order to bring about a self-sufficient Germany, but they could not dilute the German people's anxieties. Understanding this, the Nazi party moved forward with a bold innovation directed at the people.

Strength Through Joy

The rearmament outlined in the four-year plan limited personal economic growth for many Germans due to the lower overall wages earned and a freeze on income growth that was initiated in order to pay for the plan. Therefore, it was essential that the government provide incentives in lieu of immediate personal gratification. To appease the people for lower wages and harbor their support, the Nazi party created the Strength Through Joy (*Kraft durch Freude*, or KdF) initiative. This initiative sought to improve quality of life for German workers by affording them recreation and vacations opportunities-luxuries once only available to the upper middle class and social elite.⁵²

⁵¹ Jeremy Noakes and Geoffrey Pridham, eds., *Nazism, 1919-1945*, vol. 2: *State, Economy and Society 1933-1939* (Exeter: University of Exeter Press, 2000), 179-80.

⁵² Shelley Baranowski, *Strength Through Joy: Consumerism and Mass Tourism in the Third Reich* (Cambridge, MA: Cambridge University Press, 2004), 2.



Figure 9. Strength Through Joy

Source: German Propaganda Archive, *Die Wirtschaftspolitische Parole* 3, no. 12 (1938), <http://bytwerk.com/gpa/nazi-economics.htm> (accessed 15 April 2012).

The Nazi gamble paid off. The program became extremely popular with the working class who for most of their lives never thought possible the idea of dedicated vacation time, much less the potential for international travel aboard cruise ships. But that is exactly what the Nazis provided them. The KdF subsidized vacations for working class Germans on ships such as the Wilhelm Gustloff (pictured below). They set sail for ports of call in Portugal and as far away as the Canary Islands. Cruise ships were not the only vacations offered through the KdF. In one of the biggest construction endeavors of its time, the KdF planned and nearly completed the resort complex Prora. The construction of the seaside resort took place between 1936 and 1939 on the authority of the Nazi

association KdF.⁵³ The complex, comprised of five seaside resorts was located on the island of Rugen in the Baltic Sea. The resort provided 20,000 rooms, festival square, event halls and had additional plans for restaurants, cinemas and sporting venues. All of which intended to distract average Germans and maintain their support for National Socialism.



Figure 10. KdF Ship Wilhelm Gustloff

Source: Jason Pipes, “KdF Ship Wilhelm Gustloff,” <http://www.feldgrau.com/wilhelmgustloff.html> (accessed 20 May 2012).

In the event German citizens were unable to acquire passage on a cruise liner or book rooms at the Prora complex, other options were still available. Excursion packages from three or four days up to two or three weeks were commonly used options. Many of the options were programmed with a multitude of activities; everything from winter sports, to hiking and cultural events. Employers subsidized many of these excursions; therefore,

⁵³The Prora Documentation Centre, “Macht Urlaub,” 2004, http://www.proradok.de/infotext_english.pdf (accessed 20 May 2012).

participants paid roughly 50 percent of the cost of the trip. The chart below highlights KdF trip participant data for the years 1934 to 1939.

Table 1. KdF Participants 1934 to 1939

Year	Year Participants (mill.) Travels (*)	Year Participants (mill.) Travels (**)
1934	0.5	1.9
1935	1.1	7.3
1936	1.4	7.3
1937	1.8	8.4
1938(***)	1.6	8.7
1939(****)	1.2	6.2

Source: Center for Digital Discourse and Culture, “Calculations from Spode 1982,” http://www2.cddc.vt.edu/digitalfordism/fordism_materials/Spode.pdf (accessed 20 May 2012), 298.

* Holiday trips, including cruises, skiing holidays etc. (3 to 21, mostly 7 to 12 days).

** Excursions and hiking tours (1 or 2 days; hiking tours sometimes 6 days or more).

*** Including 0.3 mill. participants in longer travels and 1.6 million in short trips from the annexed territories (esp. Austria).

**** Not comparable with the other years: Firstly, it is uncertain whether participants from the annexed territories are included. Secondly, on the 1st of September, KdF travel stopped due to the war (in 1940 it started again on a smaller scale, partly in cooperation with the Wehrmacht; global figures are not available).⁵⁴

⁵⁴ Hasso Spode, “The Seaside Resort of The 20000: Fordism, Mass Tourism and the Third Reich,” http://www2.cddc.vt.edu/digitalfordism/fordism_materials/Spode.pdf (accessed 20 May 2012).

For those Germans unable to travel or if outside their designated vacation time, entertainment was made available to the public through KdF sponsored traveling theater, concerts and art exhibits. These events were meant to enhance quality of life while at home and ensured all Germans had the opportunity for leisure time activities regardless of the time of year.

KdF was not without criticism and to some the program seemed fraught with needless expenditures and feel good measures. However, this was not the case. “The KdF was no mere leisure-time organization. Rather, its programs which included its workplace beautification project, the beauty of labor (*Schönheit der Arbeit* or SdA), embraced the totality of workers’ creative lives.”⁵⁵ In doing so, SdA attempted to provide balance in the workplace by creating green spaces, recreation rooms, canteens and swimming pools and bettering work environments for laborers. “In addition to these SdA projects, other projects were implemented such as sporting facilities in plants . . . 300 adult education center and thirty music schools.”⁵⁶

In most cases these programs appear to be good governance and even responsible measures. However, these policies and programs have deeper roots and meaning. Each of these programs was designed to divert the German peoples’ attention for loss of social freedoms, repressive political practices and the aggressive buildup for war. This in effect seduced the German people into accepting the racial restructuring of the new order and encouraged them to accept sacrifice in the name of progress. For most, compliance with the new program was simple and rational—employment meant security

⁵⁵Baranowski, 5.

⁵⁶Ibid., 56.

and social programs provided increased quality of life. Few understood where these sacrifices would ultimately lead.

Economics Becomes Aggression

The National Socialist worldview (*Weltanschauung*) served as the guide for German foreign policy. *Weltanschauung* to the Nazis was the socio-political embodiment of core concepts of National Socialism—to include the mythical and spiritual.⁵⁷ Of most importance to Hitler was the idea of *Lebensraum* or living space; which essentially consumed the whole of *Weltanschauung* with the goal of expanding Germany to Eastern Europe. The expansion was three fold: (1) Germany was overpopulated and struggling to provide adequate food and shelter for her people; (2) The expansion would also increase raw materials for rearmament; and (3) It would unite Germany and those with German like blood under one national leadership.

Once Germany had accomplished the massive task of conquering Poland, Czechoslovakia and large parts of Soviet Russia, it would then turn to murdering the inhabitants in order to clear the lands and cities. This would entail “resettling” or killing between 20 to 50 million of present inhabitants of those areas: 80-85 percent of the Polish, 75 percent of Belorussian and 65 percent of Ukrainian populations would be affected.”⁵⁸ Once clear, Germans would then relocate and occupy the farms and cities left

⁵⁷ Jason D. Lahman, “The Form That Fuels The Flame: Public Ritual and the Nazi Mythos, Ex Post Facto,” *Journal of the History Students at San Francisco State University* 21 (2010): 38.

⁵⁸ Steven R. Welch, “The Annihilation of Superfluous Eaters: Nazi Plans for and Use of Famine in Eastern Europe,” 2004, www.yale.edu/gsp/publications/Annihila.doc (accessed 20 May 2012), 2.

behind. The majority of the Germans who would relocate were of peasant status. There were able-bodied people who would fulfill their obligation to the German state by planting and harvesting foodstuffs and other raw material needed for building the nation and preparing for the inevitable war. Although, these people would be of an agrarian class, they had to meet the racial standards established and be identified as Germanic.

Nazism pursued a racial purity standard with the Germanic or Aryan race at the top of the hierarchy followed by subclasses of humans. The only people—other than Germans—acceptable to Nazi ideology were people of Nordic race. These people were said to be blond or brown haired, with light colored eyes, fair complexion, relatively tall in stature and predominately found in northern European lands.



Figure 11. The Biology of Growth

Source: German Propaganda Archive, *Die Wirtschaftspolitische Parole* 3, no. 12 (1938), <http://bytwerk.com/gpa/nazi-economics.htm> (accessed 15 April 2012).

The Nazis used public displays to spread their ideas of race. The chart shown here is titled “The Biology of Growth,” and is labeled “Stages of Growth for Members of the Nordic Race.”⁵⁹

With this concept of racial purity in mind, Hitler and the Nazi party set out to bring together Germans wherever they lived, but this was not the only goal in unification. With unification came land, resources, people and money. Each of them was a vital resource to achieving not only *autarky* but *Weltanschauung*. With that, Hitler first set his eyes on Austria.

Although the Treaty of Versailles banned political unification, Hitler wanted control of Austria as he saw an independent Austria on Germany’s borders as a threat. Furthermore, Germany’s strength would increase as it absorbed Austria’s industry, natural resources and financial and military capabilities. The annexation of Austria may have been a sentimental endeavor for Hitler as well. He was born on 20 April 1889 in the small Austrian village of Braunau Am Inn, and despite his father Alois’ loyalty to the Austrian monarchy, Adolf grew to identify with and saw himself as a German-Austrian.⁶⁰

Many Austrians thought the same as Hitler and welcomed the idea of unification. To speed the process the Nazis were eager to establish the Austrian Nazi Party in order to build support for the coming *Anschluss*. Despite how many Austrians felt, Engelbert Dollfuss the Austrian Federal Chancellor turn dictator, saw Hitler and the National

⁵⁹National Archives and Records Administration, “Photo from the National Archives and Records Administration,” College Park, MD, http://www.ushmm.org/outreach/en/media_ph.php?ModuleId=10007679&MediaId=6993 (accessed 20 May 2012).

⁶⁰The History Place, “The Rise of Adolf Hitler,” 1996, <http://www.historyplace.com/worldwar2/riseofhitler/born.htm> (accessed 20 May 2012).

Socialist as a threat to Austrian independence and subsequently banned the Austrian Nazi Party from the country. On 25 July 1934, 13 Austrian Nazis thugs, entered the Chancellery building and shot Dollfuss in an attempted coup d'état.⁶¹

In February 1938, the new Austrian Chancellor Schuschnigg capitulated to Hitler's demands for legalizing the Austrian Nazi Party, appointing party members to important ministries and releasing Nazi prisoners.⁶² The Nazis quickly disrupted government operations and in retaliation, Schuschnigg recanted his agreement with Hitler, and called for a *Plebiscite* on Austrian independence. Hitler wasting no time sent the German Army across the border on 12 March 1938, annexing Austria and completing the *Anschluss*. No one will ever truly understand the level of support for the *Anschluss* the Austrians might have had. Once the Nazis took control they carried on with the planned plebiscite for unification, reporting poll results of 99 percent of Austrians voting in favor of unification.

Nevertheless, most Austrians knew unification would come at an economic cost. G. E. R. Gedye, a writer for the *New York Times* based in Vienna highlighted in his 25 March 1938 article “*Anschluss Threat to Czechs’ Trade*, the complexities of Austro-German commerce.” He noted that Austria had planned a reduction in exports to Germany by 40 percent in order to reduce the 60,000,000 schillings debt Germany owed. However, with the unification complete the opportunity to slow exports was lost. More importantly, Germany gained a significant boost to their rearmament programs. Gedye also stated that Austria’s total iron-ore production was 5 percent of Germany’s

⁶¹MacDonogh, 154.

⁶²Ibid., 20.

requirements, and just as equally important was Germany's ability to control Austria's timber production.⁶³

However, the Austrian economy would not endure the cost alone. Goring was quick to capitalize on stealing from wealthy Austrian-Jews. "By July 28 a third of Jewish property in Vienna had been transferred to Aryan hands. Goring's Office of the Four-Year Plan had located 2.29 billion RM in the hands of just 50,000 Jews, the vast majority of who lived in Vienna."⁶⁴ However, the targeting of Austrian-Jewry did not stop in Vienna, the nearly 190,000 Jewish Austrians living in the country were quickly targeted and abused. Austrian Nazis and local residents looked on as Jews are forced to get on their hands and knees and scrub the pavement.⁶⁵

⁶³G. E. R. Gedye, "Anschluss Threat to Czechs' Trade," *New York Times*, 25 March 1938, <http://query.nytimes.com/mem/archive/pdf?res=F50B16F63E581A7A93C5AB1788D85F4C8385F9> (accessed 20 May 2012), 52.

⁶⁴MacDonogh, 154.

⁶⁵National Archives and Records Administration, "Vienna Austria, Photo Dated Between, Tuesday, March 1, 1938 and Friday April 1, 1938," <http://digitalassets.ushmm.org/photoarchives/detail.aspx?id=28172&search=jews+cleaning+streets&index=8> (accessed 20 May 2012).



Figure 12. Ausrian Jews Scrub Pavement

Source: National Archives and Records Administration, “Vienna Austria, Photo Dated Between, Tuesday, March 1, 1938 and Friday April 1, 1938,” <http://digitalassets.ushmm.org/photoarchives/detail.aspx?id=28172&search=jews+cleaning+streets&index=8> (accessed 20 May 2012).

Outside the economic gains of the *Anschluss*, there were other gains. Mostly political but nevertheless continued to move the Germans closer to realizing their goals. As a result, Hitler’s confidence grew and Germany become more powerful in terms of not only resources but people as well.

The *Anschluss* added to Hitler’s list of accomplishments, Hitler gained confidence and the audacity needed to continue his quest for expansion and rearmament. Nevertheless, confidence alone would not pay for *Weltanschauung* or *Lebensraum*. The state treasury needed another infusion of money, and without an increase in revenue, the German financial situation would only get worse. Hitler understood that the only way to maintain the course toward expansion and rearmament was to gain control of Czechoslovakia. “Hitler was also undeterable; he embraced war because he knew he

could not get what he wanted without it.”⁶⁶ Thus, he directed his Ministry of War to make plans for the invasion of Czechoslovakia and the Sudetenland.

Despite Hitler’s desires for an aggressive seizure of the Sudetenland, he understood the value of popular support and international opinion. He quickly advocated for the millions of ethnic Germans living in the Sudetenland on the grounds of self-governance and determination. With support from Germany, the Sudeten German Party led by Konrad Henlein issued a list of demands to the Czech government that included full autonomy for the Sudetenland.⁶⁷ Other demands made called for change to Czech foreign policy, reparations for damages suffered by Sudeten Germans since their incorporation to the Czech Republic.

Knowing Hitler’s intentions were set on annexing the Sudetenland the Czech government looked to her allies—namely France—for support and solidarity. Reluctant to get involved in a potential military conflict without the backing of England, France waivered in her support for the Czech Republic. In an attempt to avoid war, British Prime Minister Neville Chamberlain sought to negotiate with Hitler but to no avail and the process fell apart with Hitler ultimately demanding entry to the Sudeten. At the behest of Italy’s Benito Mussolini, Hitler agreed to international negotiations.

On 29 September 1938, under the terms of the negotiations, Germany received access to the Sudeten. The Czechoslovak government was further ordered to “release

⁶⁶Jeffery Record, “Appeasement Reconsidered: Investigating the Mythology of the 1930s,” August 2005, Strategic Studies Institute, <http://www.strategicstudiesinstitute.army.mil/pdffiles/pub622.pdf> (accessed 20 May 2012), v.

⁶⁷Otto D. Tolischus, “Sudeten Germans Raising Demands,” *New York Times*, 22 April 1938, <http://query.nytimes.com/mem/archive/pdf?res=FB0717FB3F5C1B7A93C1AB178FD85F4C8385F9> (accessed 20 May 2012), 4.

from their military and police forces any Sudeten Germans who may wish to be released, and the Czechoslovak Government will within the same period release Sudeten German prisoners who are serving terms of imprisonment for political offences.”⁶⁸ Without a single shot fired, Hitler won his battle for the Sudetenland. Gaining ground, people and resources this victory would not suffice but merely fueled or spurred Hitler’s hunger for expansion.

Hitler realized that Germany was not ready for war but in order to continue her economic growth and realization of *Weltanschauung*, he had to come up with a plan to take Poland without creating the potential for conflict on two fronts. Not wanting to repeat the mistakes of the past, Hitler was well aware that the WWI dual-front nature weakened Germany’s ability to support, fight and win the Great War. With this in mind, the only solution was to enter into an agreement with Soviet Russia and buy the much needed time for continued expansion.

On 14 August 1939 the two sides meet headed by the German Foreign Minister, Joachim von Ribbentrop and the Soviet Foreign Minister, Vyacheslav Molotov in Moscow to bring about the terms of what would be known as the Nazi-Soviet Non-Aggression Pact.⁶⁹ The pact would create an economic agreement and a non-aggression

⁶⁸“Agreement signed at Munich Between Germany, the United Kingdom, France, and Italy (September 29, 1938),” in United States Department of State Division of Language Services, *Documents on German Foreign Policy: From the Archives of the German Foreign Ministry*, Series D (1937-1945), *Germany and Czechoslovakia*, vol. 2, 1937-1938, document no. 675 (Washington, DC: Government Printing Office, 1957-1964), 1014-16.

⁶⁹“Treaty of Non-Aggression between Germany and the Union of Soviet Socialist Republics (August 23, 1939),” in United States Department of State Division of Language Services, *Documents on German Foreign Policy: From the Archives of the German Foreign Ministry*, Series D (1937-1945), *The Last Days of Peace*, vol. 7: August

agreement between the two countries. More importantly, it outlined a territorial division of Eastern Europe with the Soviets occupying one side and the Germans the others.

Bifurcating Poland “approximately by the line of the rivers Narew, Vistula and San,” Germany now gained sizable boundaries between its borders and any possible aggressor.⁷⁰ Regardless of the economic gains and access to natural resources the Nazis received, Hitler was not ready for the additional gain of the nearly 3.5 million Jews living in Poland.

Conclusion

The Nazi worldview of *Weltanschauung* envisioned an expanse of land with the capability of providing and caring for the German people. Although, *Weltanschauung* was a great macroeconomic task for a nation recovering from the Great Depression, Hitler believed that the only way for Germany to survive was to expand by any means necessary—especially war. By following the chain of macroeconomic decision, we see the blueprint for German expansion and rearmament.

Unification of Germanic people was key to Nazi’s worldview. First, by capturing the heart and minds of Germans by reemploying them and raising their standards of living, he unified the country and provided them with a shared national interest. Secondly, by uniting the German peoples from Austria and Czechoslovakia, the Nazis created solidarity and a perceived notion of strength. Each group buying into the

9—September 3, 1939,” document nos. 228 and 229 (Washington, DC: Government Printing Office, 1956), 246.

⁷⁰Treaty of Non-Aggression between Germany and the Union of Soviet Socialist Republics, 246.

mythology of the supreme race and prospect of a future they dominated alone. The resurgence of German nationalism based on economic growth coupled with anti-Semitic ideology and the stage was set for mass murder on an industrial level.

CHAPTER 4

ANALYSIS

One of the greatest crimes in history, the slaughter of the Jewish people in Europe, is continuing unabated. This Government has for a long time maintained that its policy is to work out programs to serve those Jews of Europe who could be saved. I am convinced on the basis of the information which is available to me that certain officials in our State Department, which is charged with carrying out this policy, have been guilty not only of gross procrastination and willful failure to act, but even of willful attempts to prevent action from being taken to rescue Jews from Hitler.

—Henry Morgenthau, *Letter to President Roosevelt*

There are a number of macroeconomic instruments that a governments can utilize before, during and after genocidal events occur. Not in all cases will each instrument be appropriate, supportable or even successful depending on the social and political environment where they are applied. This case study will apply MAPRO economic planning guidance to Nazi macroeconomic policies and the historical events discussed previously. MAPRO economic measures are by design influencers on perpetrators of genocide, those who might intervene or potential bystanders in the area of operations.

Economic measures can take many forms, such as inducements or sanctions depending on whom the measure or influencer is intended to target. This case study will use the U.S. as the country applying each measure to analyzing the macroeconomic situation. Each recommended economic guidance is analyzed using known actions taken by the U.S. in response to Nazi macroeconomic policies, not the genocide itself. The goal of this analysis is to see if the research substantiates or invalidates the hypothesis of this thesis.

Sanctions

Economic sanctions are a macroeconomic instrument that can limit monies and supplies from entering a hostile state. In the case of Nazi Germany, the U.S. already had a form of sanctions in place. In the 1930s, the U.S. Congress passed a series of acts called the Neutrality Acts to limit U.S. involvement in potential wars. The first of these acts in 1935 prohibited the shipment of war materials to hostile states and banned U.S. citizens from travel on hostile state ships. The subsequent acts of 1936 and 1937 placed a ban on loans to warring states and expanded the previous act's powers to include states experiencing civil wars and limited arms sales to a "cash-and-carry" basis.⁷¹ The 1939 act further banned U.S. citizens from traveling to ports of warring nations. Along with banning U.S. ships from carrying goods to these same ports, the act, however, opened the doors for the sales of munitions on the same cash-and-carry system.

Although these laws were not directed at Germany specifically, they did in effect limit from Germany gaining economic support from the U.S. for its expansion and rearmament efforts. Later in 1941, Congress passed the Lend Lease Act allowing for shipments of goods and materials to England in support of their war effort. This was a turning point in U.S. international policy and ended U.S. isolationism. The Neutrality Acts were ultimately repealed in November 1941. This research found no specific sanctions taken against Germany before or during the war. Only one article, dated 9

⁷¹U.S. Congress, "Neutrality Acts, 1935-1939," <http://www.answers.com/topic/neutrality-act> (accessed 10 May 2012).

November 1933 in the *New York Times* quoted the French Foreign Minister, Paul-Boncour saying “economic sanctions would be used if necessary if Germany rearmed.”⁷²

Economic Suasion Tools

The use of foreign aid can provide significant leverage when attempting to guide a nation away from mass atrocities or potential genocide. In the case of Nazi Germany, the neutrality act discussed above limited economic engagement in terms of business transactions, however, over the course of this research no evidence was found that supports the claim that the U.S. government or any branch of the government attempted to encourage German behavior or stop genocide with the use of aid.

Once it became clear to the U.S. government that the Nazis were pursuing anti-Semitic policies at home and in annexed states, aid could have been utilized in an attempt to stop them from carrying out their plans. Aid could have been used for either stopping their annexation of other countries or for the mistreatment of local Jewry in the annexed states. Regardless of the application of aid, it was not used in order to stop German aggression nor their expansion or rearmament.

Debt Relief

The Versailles treaty placed a heavy economic burden on Germany in the sum of “269 billion gold marks, around 96,000 tons of gold, before being reduced to 112 billion

⁷²“French Say League Will Curb Germany,” *New York Times*, 8 November 1933, <http://query.nytimes.com/mem/archive/pdf?res=FA0714FC385B137A93CBA9178AD95F478385F9> (accessed 25 May 2012), 4.

gold marks by 1929, payable over a period of 59 years.”⁷³ This amount in U.S. dollars would have equaled \$33 billion U.S. dollars. The Nazi party sought relief from the Versailles treaty claiming it was an unjust burden on the German people. In response to German grievances, however, neither the U.S. nor the international community used debt relief as a means to intervene, control, or mitigate Nazi aggression at any point in the war. Even with the reconstruction efforts of the post WW II Marshall Plan debt relief was never offered and Germany made their final reparation payment for WWI in October of 2010.⁷⁴

Another economic instrument for suasion is the “carrot on the stick approach”⁷⁵ where Hitler would be offered concessions for stopping expansion or rearmament plans. This method often opens dialog to find ways to benefit each side and arrange for peaceful solutions and reconciliation. However, suasion requires a heavy U.S. Department of State influence, to include supporting U.S. economic activities. Again, there is no evidence to support any claim that suasion was attempted in order to stop Hitler and the Nazi would view of *Weltanschauung*.

⁷³David Crossland, “Germany Set to Make Final World War I Reparations Payment,” 29 September 2010, <http://abcnews.go.com/International/germany-makes-final-reparation-payments-world-war/story?id=11755920#.T6v32O2hDII> (accessed 25 May 2012).

⁷⁴Simon Sturdee, “Germany Finally Pays Off WWI Debt,” *The Sydney Morning Herald*, 30 September 2010, <http://news.smh.com.au/breaking-news-world/germany-finally-pays-off-wwi-debt-20100930-15ydu.html> (accessed 25 May 2012), 1.

⁷⁵U.S. Army. *Mass Atrocities Prevention and Response Operations Handbook* (Carlisle, PA: U.S. Army Peacekeeping and Stability Operations Institute, March 2012), 116.

Economic Compellence Tools

Technology Controls are the control of technology which is used in support for genocide and mass murder. As already discussed, the U.S. did not engage in the sale of weapons, munitions or other technologies to belligerent states. Whatever limitations or lack of technology Germany experienced were overcome from within the German war machine or by absorbing the resources from annexed states. Germany was also keen to enter into pacts with allies in order to gain resources and materials needed.

Exchange rate adjustment is another recommended course of action in the MAPRO economic guidance. Known as the gold standard the U.S., Germany and many other countries linked the value of their currency to the price of gold. Throughout WWII, the standard was still in practice and unless the price of gold could be artificially reduced, this consideration of MAPRO would be an extremely unlikely course of action, given that any change would adversely affect all countries.

MAPRO also advocates the use of the International Monetary Fund or the World Bank. “The International Monetary Fund and the World Bank were both created at an international conference convened in Bretton Woods, New Hampshire in July 1944. The goal of the conference was to establish a framework for economic cooperation and development that would lead to a more stable and prosperous global economy.”⁷⁶ Given the creation date being relatively near the end of the war, and such programs nonexistent or in the development stage, this MAPRO consideration is not considered a viable course of action.

⁷⁶International Monetary Fund, “Factsheet,” 30 March 2012, <http://www.imf.org/external/np/exr/facts/imfwb.htm> (accessed 25 May 2012).

Trade policy alterations are macroeconomic instruments where the U.S. imposes tariffs or import and export restrictions on German goods due to their hostile practices. Due to the Great Depression, the U.S. focused on developing the domestic economy and less on imports. However, it would have been advantageous for the U.S. to engage other nations when and where possible to influence their German goods' imports. Otto Tolischus a writer for the *New York Times* noted in a 16 November 1935 article that the German economy created a surplus of 24 million marks for the first ten months of 1935.⁷⁷ As a research limitation, it should be addressed that the only country named in the article was Russia. Therefore, other nations who engaged in trade activities with Nazi Germany were more than likely occupied or Axis Power states. Therefore, using this instrument on these states would have achieved little results.

Freezing or Seizing Monetary Assets by the U.S. Treasury Department's Office of Foreign Assets Control or OFAC is a direct and expedient method of denying foreign governments assets held in U.S. banks or companies. It is important to keep in mind that Hitler's nationalization of German industry and inward looking investment plans altogether limited the concept of German foreign investment in U.S. held companies. There is evidence that some U.S. companies held interest in Germany—such as Chase Bank and New Jersey Standard Oil.⁷⁸ However, these interests were U.S. companies and,

⁷⁷ Otto Tolischus, "Reich Exports Set New High for Year," *New York Times*, 17 November 1935, <http://select.nytimes.com/gst/abstract.html?res=F70D10F93555147B93C5A8178AD95F418385F9> (accessed 25 May 2012), 34.

⁷⁸ Richard Sanders, "Facing the Corporate Roots of American Fascism," *Press for Conversion*, no. 53 (March 2004), http://coat.ncf.ca/our_magazine/links/53/rockefeller.html (accessed 30 April 2012), 1.

therefore, freezing or seizing these assets would be directed at American businesses and would not deter German behavior.

Direct foreign investments in belligerent states by corporations are the next recommendation from the MAPRO handbook. An example would be foreign auto companies building plans and employing local nationals to generate economic development and grow stability and wealth in the region to balance economic inequalities between powerful majorities and minority classes. This sort of economic intervention in the case of Nazi Germany would have been next to impossible given that the German path to *autarky* would not look for outside investment.

Embargoes

By definition this is a complete ban on commerce and trade with a targeted country. Embargoes can also be imposed on other nations for supporting genocidal states. The closest the U.S. came to embargoes with regard to Nazi Germany was via the Neutrality Acts. However, prior to the outbreak of war with Japan the U.S. did use significant embargoes to deny Japanese access to oil, metal and scrap metal and other raw materials. These embargoes were due to Japan's aggression throughout Asia. However, such embargoes were nothing new in U.S./Japanese relations. The U.S. had imposed an iron and steel embargo on Japan in 1917, which was directed at Japan's shipbuilding capability.⁷⁹

⁷⁹William G. Beasley, *The Rise of Modern Japan* (Berkeley, CA: University of California Press, 1977), 71.

International Sanctions

International sanctions are the final tool of compellence recommended by the MAPRO handbook. Unlike U.S. led sanctions, these are supported by the international community and carry an approved resolution from an international body. The League of Nations was weak and lacked the ability to come to resolution on international matters. Furthermore, the U.S. was not a member of the league. The construct of international sanctions is seemingly enough a post WWII concept.

Economic Intervention

Humanitarian Assistance

Directed either at vulnerable populations or at nations supporting refugees from genocidal states, humanitarian assistance is an effective consequence management or intervention tool. Humanitarian assistance in the case of the Jewish experience of WWII, would have been predicated on the U.S. acknowledging the crisis with regard to European Jewry and seeking to intervene on their behalf..

In a meeting with American Jewish leaders on Tuesday 8 December 1942, President Roosevelt acknowledged confirmation of reports on atrocities committed against European Jewry, however, failed to express support for intervention. Stating “there must be in Germany elements, now thoroughly subdued, but who at the proper time will, I am sure rise, and protest against the atrocities, against the whole Hitler system.”⁸⁰

⁸⁰President Franklin D. Roosevelt, “Report on Meeting of Jewish Leaders,” 8 December 1942, <http://www.jewishvirtuallibrary.org/jsource/Holocaust/fdrmeet.html> (accessed 8 March 2012).

Other economic support recommended by the MAPRO handbook falls into four categories: (1) support to victim groups; (2) support to partners; (3) support to regional countries; and (4) post-conflict support. Given that post-conflict support does little to nothing to fight or counterbalance macroeconomic policy that enables genocide, item four will not be discussed further, other than to recognize that post-conflict support in the post-genocidal state or region is key to helping rebuild and bridge economic inequalities that are found in post-genocidal states. Such support can help return normalcy and bring closure to victims as they rebuild. Post-conflict support can also be used to incentivize post-genocidal regimes to encourage change and reconciliation.

Support to victim groups during WWII was nearly nonexistent by the U.S. government. As violence was rising against German Jewry and reports of mass atrocities were confirmed by American representatives in neutral European states, the Roosevelt administration did nothing to support victim groups on continental Europe or here in the U.S. In fact, evidence supports the argument that the administration was acquiescent to doing nothing regarding the mass murder of European Jewry:

I fully recognize the graveness of this statement and I make it only after having most carefully weighed the shocking facts, which have come to my attention during the last several months. Unless remedial steps of a drastic nature are taken, and taken immediately, I am certain that no effective action will be taken by this government to prevent the complete extermination of the Jews in German controlled Europe, and that this Government will have to share for all time responsibility for this extermination.⁸¹

Support to partners and regional countries with regard to MAPRO economic guidance is by design intended to support assistance measures to neighboring states that

⁸¹Ted Brown, “Excerpt from Report on the Acquiescence of the U.S. Government in the Murder of the Jews,” 13 January 1943, <http://philclubcle.org/papers/Brown, E20101026.pdf> (accessed 20 May 2012).

are adversely affected by mass atrocities in their region. Such aid would assist in managing refugees to ensure they would not become a burden on the local economy. Economic assistance of this kind could also be used to support genocide and mass atrocities prevention activities in the region.

In the terms of the holocaust, support to regional partners was limited to support for allies and the war effort. Over the course of this research, no evidence was found that demonstrates U.S. support for allied or other nations to overcome the economic hardships created by the genocide.

Conclusion

In an attempt to understand MAPRO economic guidance in context of Nazi macroeconomic policy, it is important to apply each MAPRO consideration to the historical context of the event. Economic concepts such as suasion, compellence and intervention are not mutually exclusive in planning and as demonstrated are concentric—each having unique yet dependent attributed. Concepts of suasion, compellence and intervention come in many forms and at times used jointly. Be it in the form of aid, technological control, asset control or forms of support to partner states, they are all a direct government-to-government macroeconomic measure to stop genocide and mass atrocities from occurring. The historical context of this case study demonstrates the consternation felt with regard to international engagements by the U.S. in the 1930s and 1940s. Especially when those engagements involved conflict or economic obligations.

Due to the apprehensive nature of the U.S. to obligate itself in conflict or economics, it was not until being attacked by the Japanese on 7 December 1941 that the U.S. enters the war. Upon entering the war, there is enough data to conclude that the U.S.

intended to wait out the crisis facing European Jewry and do nothing to stop the genocide—be it military or economic. Economic measures can provide senior leaders and policy makers with a combination of influences that can greatly affect MAPRO situations. Especially when used in prevention and response operations.

After careful consideration of the data presented and analyzed, this research will not claim that MAPRO economic planning guidance is either sufficient or insufficient to answering the objectives of this thesis. However, it will make recommendation on how the economic planning guidance could have been applied and what measures may have had the greatest impact on deterring the Holocaust exterminations.

Recognizing the application of the MAPRO economic guidance and the analysis of U.S. application of the guidance during WWII is limited, it is important to highlight two points: (1) this research found no evidence that economic consideration of MAPRO or any variation of it were used in operational planning during WWII; and (2) although there is documentation that the Roosevelt administration knew of the atrocities taking place in occupied Europe, there is nothing to support the claim that the administration intended to stop the genocide outside of simply fighting the war.

CHAPTER 5

FINDINGS AND CONCLUSION

An economic . . . theory considers ‘macro’ conditions under which an authority group chooses genocide and ‘micro’ conditions that facilitate the spread of genocide. From the macro perspective, a bargaining model highlights four rational explanations for an authority’s choice of genocide: prevention of loss of power, indivisibility, elimination of a persistent rival, and political bias.⁸²

— Charles Anderton

Findings

The purpose of this research was to identify how macroeconomic policy was leveraged against German and European Jewry and explored the primary question: Can macroeconomic policies enable genocide? Based on the research and analysis of Nazi macroeconomic policy the response to this question is, yes. The justification for this response is based on Dr. Charles Anderton’s bargaining model.⁸³ Briefly, the bargaining model offers a structure for understanding how governments rationalize genocide at the macroeconomic perspective. The structure contains four explanations in which a government rationalizes its decision for genocide.

The first explanation for a government rationalizing genocide is preventing its loss of power. Hitler fervently believed that communist led by worldwide Jewry would destabilize the national economy, dominate the government and eventually subjugate the German people to his will. Understandably, the first step taken by Nazi Germany was to simply remove Jews from Germany in the hopes of resolving this problem. However, as

⁸²Anderton, 465.

⁸³Ibid.

lands began to be annexed from Austria, Czechoslovakia, Poland and France the ability to simply remove became a problem of scale. The Germans could not simply remove Jews from their lands, they had to segregate and ultimately plan for their annihilation.

The second explanation of a government rationalization of genocide is indivisibility. Indivisibility is when a regime claims the need to purify its race or territory from outsiders.⁸⁴ To illustrate indivisibility, refer back to the concepts of *Autarky* and *Weltanschauung*. In order to achieve *Weltanschauung* and *Autarky*, Hitler had to expand his territory and dispose of the populations that currently occupied these lands. Indivisibility in this case is defined by Nazi ideology's ability to rationalize the mass murder of millions of Europeans who were classified as sub-human or *untermensch*. Thus, this research finds the explanation of indivisibility as being sufficient in describing Nazi intentions for securing their territory and people from outsiders.

The next explanation is the elimination of a persistent rival. A decision based on cost efficiency.⁸⁵ Rather than continuously pay for the cost of defending a state from a persistent enemy, the national government rationalizes the annihilation of a group in order to achieve cost effectiveness. Based on this analysis of the research, there is no justification to support this explanation. At no point in my research is there an example of the German state having to defend itself from the German or European Jewry, nor any other group of victims targeted during the holocaust.

The last of the four bargaining model explanations is political bias. An “example of political bias that is evident in some genocide is ‘scapegoating,’ in which a critical

⁸⁴ Anderton, 469.

⁸⁵ Ibid., 470.

leader blames an out-group for negative economic or political conditions.”⁸⁶ There are numerous comments made by Hitler regarding his notion that the international Jewish community was not only to blame for Germany’s capitulation in the Great War, but was also completely responsible for the economic oppression experienced in Germany and throughout the world. “That race (Jews) of criminals has on its conscience the two million dead of the First World War, and now already hundreds and thousands more.”⁸⁷ Comments such as these by Adolf Hitler and other high ranking Nazi leaders are but a mere example of how political bias was used to manipulate not only macroeconomic but social policy as well. Therefore, the explanation of political bias is sufficient in answering the primary question stated above.

The first of two subsequent questions stated in this research is: was the Nazis able to effect the social change needed in order to carry out their policies for genocide? Answer: yes. The Nazi government—good, bad or otherwise—in many ways had a positive effect on German society. They enhanced and provided unparalleled social programs that were unheard of prior to them taking control of the state. From a purely economic perspective the Nazis all but eliminated unemployment in Germany. Granted their economy was rebounding and the majority of men were put to work through military conscription and civil-works projects, but they did put men back to work.

The Winter Relief program with its compulsory giving and food curtailments to benefit the poor and needy were seen as a resounding achievement inside Germany. It was reported in the *New York Times* on 19 April 1934, the program was said to have

⁸⁶ Anderton, 472.

⁸⁷ John Toland, *Adolf Hitler* (London: Book Club Associates, 1977), 702-703.

collected and distributed 320,000,000 marks in winter relief that year.⁸⁸ Programs such as this had a huge psychological and social impact, especially when prior to the Nazi regime there had never been social welfare. In short, the Nazi social programs elevated the German people and catalyzed the social change that facilitated Hitler's and the Nazis' policies of genocide.

The second of the two subsequent questions is: What actions could have been taken to prevent the Nazis from achieving their macroeconomic goals? Given what is known about American policy and the complexities of occupied Europe, the question was addressed from a pre-1938 perspective. Based on the MAPRO economic planning guidance there is one recommendation for preventing the Nazis from achieving their macroeconomic goals: support to regional partners.

Hitler's main objective was to expand Germanic dominance at all cost and achieve complete self-sufficiency. The only way for Hitler to realize this goal was by means of aggressive expansion throughout Europe. If the U.S. would have put aside its policy isolationist and focused the same energies into support for regional partners as it did later in the war effort, this thesis supports the conclusion that the U.S. and its allies could have contained Nazi macroeconomic goals and policies. Key regional players for U.S. alignment are Austria, Czechoslovakia, Poland and Soviet Russia. By supporting these states with arms and personnel, the U.S. may have been a large enough force to deter Hitler's ambitions. Providing additional security for these states may have also kept them from their eventual occupation as well.

⁸⁸“1,000,000 Jobless Normal Hitler Says,” *New York Times*, 19 April 1934, 19, <http://query.nytimes.com/mem/archive/pdf?res=F00B15FC3C58177A93CBA8178FD85F408385F9> (accessed 25 May 2012).

Conclusion

A substantial macroeconomic correlation exists between the Nazis and their control over the German people. This same macroeconomic linkage enabled the National Socialist Worker Party to unleash a massive wave of terror in order to gain and maintain control of vital resources and power for an expanding nation. German economic instability coupled with increasing restraints on natural resources fueled the government's ability to blame and target minorities, leading to the mass murder of millions of innocent people from France to Soviet Russia. This leaves us with the question of what can be learned from these events.

Primarily, as supported by this thesis, to avoid genocide and mass atrocities in the years to come is to develop economic policies that will decrease a government's ability to rationalize genocide. In terms of underdeveloped and developing states, this would mean strong international commitment to economic stability. Militarily, this will require educated and trained commanders and staff officers at the division through combatant command levels to advise and assist leaders in understanding the macroeconomic conditions that can lead to genocide and mass atrocities. Unfortunately during WWII the Allied officers lacked the knowledge of the Jewish Holocaust.

Nazi macroeconomic policy was the bedrock of Hitler's power and control over the German people. This thesis demonstrated how Hitler and the National Socialist Workers Party manipulated macroeconomic policy to mobilize a nation to support racial ideology and eventual genocide. Although, this thesis is not inclusive of all economic policies used by the Nazis, it does highlight the macroeconomic vehicles that enabled such policies to exist.

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